

**Commercial Customs Operations Advisory
Committee (COAC)
Next Generation Facilitation Subcommittee**

June 2022

COAC

COMMERCIAL CUSTOMS OPERATIONS
ADVISORY COMMITTEE

**Commercial Customs Operations Advisory Committee (COAC)
June 2022**

**Report of the Work of the COAC
Subcommittee on Next Generation Facilitation**

Co-Chairs

Barry Baxter – Walmart
Tom Gould – Flexport
Jody Swentik – Spectrum Brands, Inc

Next Generation Facilitation Subcommittee Members:

Brian Barber, Angela Cook, Dave Corn, John Drake, Chris Everley, JD Gonzales, Mary Hodges, Kerry Novak, Julie Pojar, Cynthia Roller, Craig Seelig, Stephen Simmons, Travis Skinner, Michael Slonim, John Van Wallaghen, Brian White, Kathy Wilkins, Matt Zehner

Background

The following working groups make up the Next Generation Facilitation Subcommittee:

- 1) 21CFF Task Force
- 2) ACE 2.0 co-chaired by Tom Gould, Jody Swentik
- 3) One US Government co-chaired by JD Gonzalez, Craig Seelig
- 4) E-Commerce – Co-chaired by Amy Smith, Craig Seelig
- 5) Emerging Technologies –temporarily inactive

All subcommittee objectives and scope are consistent with the official charter of COAC.

Summary of Work

The Next Generation Facilitation Subcommittee has the responsibility of looking at opportunities to enhance the trade and government processes, policies, and programs, enabling the trade and CBP to be better positioned for the future. The subcommittee currently consists of four active and one temporarily inactive working group. The subcommittee will leverage its four active working groups and trade stakeholders to provide feedback on the various challenges facing CBP and the trade and collaborate to help CBP achieve its dual goal of trade facilitation and enforcement.

Recommendations will be presented at the public meeting in June 2022 by the 21st Century Custom Framework task force.

21st Century Customs Framework

The 21st Century Customs Framework (21CCF) Task Force provides an opportunity for representatives from trade, industry, CBP and Partner Government Agencies (PGA's) to share inputs and perspectives on the 21CCF draft legislative concepts. More specifically, the 21CCF Task Force will:

1. Discuss the challenges facing CBP, the Trade, and the PGAs that may benefit from legislative updates;
2. Discuss inputs and perspectives on the draft 21CCF legislative concepts and their potential impacts; and
3. Consider areas of follow-on regulatory, policy, and technical change that may be important to realizing the 21CCF vision.

The 21CCF Task Force held working sessions to discuss the draft legislative concepts. During the working sessions, the Task Force members shared inputs, feedback, and recommendations on the following:

1. Challenges and Operational Needs – to include the current operational challenges and drivers facing CBP, the Trade, and the PGAs that may benefit from legislative updates
2. Outcomes and Benefits – to include the future-state outcomes and benefits that 21CCF trade modernization can produce for the Trade and Government
3. Legislative Concepts – to include an overview of the draft 21CCF legislative concepts as well as individual legislative discussion drafts

To further distill and refine discussion feedback from the Task Force, CBP established the 21CCF Focus Group (FG), which represents a subgroup within the Task Force focused on specific challenges in the trade environment. The 21CCF Focus Group consists of a cross-section of the larger 21CCF Task Force and includes members of the trade community and CBP. The Focus Group works to develop recommendations and to determine whether and how to best incorporate the feedback received during 21CCF Task Force meetings.

Since the March COAC public meeting, the focus group has had two in person meetings (end of March and May) to discuss concerns with each of the proposed statutory proposals and develop solutions in partnership with CBP. The group worked through four versions of statutory edits alongside CBP to ensure that Trades needs were addressed. The Focus Group held three briefing sessions with the Task Force to validate progress and ensure that the Task Force member interests were accurately represented. The 21CCF White Paper presented provides an executive summary, timeline of activities, COAC position for each proposed statute, and an overview of trade modernization opportunities. We look forward to partnering with CBP in the upcoming quarter to align on the remaining challenge areas and to advance modernization concepts that would further facilitate trade in the 21st century.

ACE 2.0:

ACE 2.0 Working Group advises CBP with insight on how ACE 2.0 facilitates the entry process by identifying gaps covering entry, manifest, security, Import Security Filing (ISF), Air Cargo Advance Screening (ACAS), post entry, audit and export by ensuring collection of the best and most reliable data; enabling risk management and cargo decisions further in advance of cargo arrival; harmonizing procedures to enhance predictability and reduce friction for trade and government stakeholders; and utilizing the full potential of automation to scale critical operations. The objectives of the working group are to recommend an operational framework for an improved ACE 2.0 Customs process; Move data collections further in advance of cargo

arrival and/or departure; and identify areas in the Customs process that will benefit from automations and modernization. The working group has met virtually four times since our last public meeting in March 2022. The meetings focus has been on reviewing the Unified Entry Process Flows developed by the Re-Imagined Entry Processes Working Group in prior COAC sessions.

One US Government (1USG) at the Border:

Since the last COAC public meeting held in March 2022, the 1USG (one United States government) working group has held three (3) work group webinars which focused on introducing several PGA guest speakers, who provided updates on the automated collaboration between FDA and CBP, General discussion on the GBI pilot program, and CBP Broker exams correlation with the PGA's. The 1USG working group will not have recommendations for the June 29th COAC meeting and will be advancing with some possible high level recommendations next quarter with the material provided from the PGA's this quarter to possibly include a qualifying identifier to provide guidance for Section 321 PGA regulated merchandise and the Disclaim Authorities. The 1USG WG will continue to serve as the conduit for the trade to identify critical opportunities for improving and streamlining the import and export processes related to the PGA's and their advancements as it relates to the 21st Century Customs Framework (21CCF)

E-Commerce:

The E-commerce Task Force aims to examine the growing e-commerce ecosystem and identify how to keep trade moving while recognizing the security challenges we collectively seek to address. With this in mind, the requirement of an HTS for De Minimis shipments is the method identified to determine if a commodity requires a PGA filing. Alternative systems to the HTS are currently used to identify commodities requiring a PGA filing. A waiver to confirm compliance with alternate methods will be required. The task force is working on the waiver requirements. Continued facilitation and enhanced enforcement are critical, and the common goal of the task force members is to provide thoughtful and practical recommendations that support this outcome.

Emerging Technology:

The Emerging Technology working group is inactive at this time. The Emerging Technology working group can be reconvened in the future if there is a need of support.

Conclusion

The Next Generation Facilitation Subcommittee will continue to leverage the existing working groups and its many trade stakeholders to provide feedback on the various challenges facing CBP and the Trade and collaborate to help CBP achieve its dual goals of trade facilitation and enforcement.